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UNCLAS SECTION 01 OF 02 TAIPEI 004901

SIPDIS

DEPARTMENT FOR INR/R/MR, EAP/TC, EAP/PA, EAP/PD - ERIC  
BARBORIAK  
DEPARTMENT PASS AIT/WASHINGTON

E.O. 12958: N/A

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SUBJECT: MEDIA REACTION: U.S.-CHINA-TAIWAN RELATIONS, U.S.  
ARMS PROCUREMENTS

1. Summary: Major Chinese-language Taiwan dailies focused their coverage December 16 on local political issues such as the planned Cabinet reshuffle and the race for DPP chairmanship in January 2006. The centrist "China Times" and pro-unification "United Daily News" each carried in their inside pages the results of their separate poll surveys on the race for DPP chairmanship. The "China Times" opinion survey showed that 28 percent of respondents said they support Yu Shyi-kun, who resigned Thursday from his position as the Secretary-General of the Presidential Office to run for DPP chairman, while 18 percent said they believe Vice President Annette Lu is the best candidate for the position. The same poll also showed that President Chen Shui-bian's approval rating has dropped to 28 percent while 55 percent of those polled said they are displeased with Chen's performance. The "United Daily News" poll showed similar results for the DPP chairperson race: 40 percent of respondents said they support Yu whereas 23 percent said they would vote for Lu.

With regard to U.S. arms procurement, the pro-independence "Liberty Times," Taiwan's biggest daily, ran a banner headline on its page two that quoted Legislative Yuan President Wang Jin-pyng as saying: "Bian Agrees to U.S. Suggestion to Increase [Taiwan's] Military Spending to 3% of GDP."

2. Two opinion pieces in the Chinese-language dailies discussed the U.S. arms sales to Taiwan. Professor Yang Yung-ming of National Taiwan University said in the mass-circulated "Apple Daily" that, given the rapid changes in U.S.-China relations and cross-strait relations lately, U.S. arms sales to Taiwan is no longer a pure military issue but a key factor concerning complicated cross-strait relations and cross-strait peace. Professor Chang Ya-chung of National Taiwan University, however, questioned the U.S. arms deal with Taiwan in the pro-unification "United Daily News." According to Chang, the speed of capital outflow from the island will definitely be faster than that of U.S. soldiers coming to Taiwan should a war break out across the Taiwan Strait. End summary.

#### 1. U.S.-China-Taiwan Relations

"Both Cooperation and Conflict Are Seen in the East Asia Region"

Yang Yung-ming, professor of political science at National Taiwan University, wrote in an opinion piece in the mass-circulated "Apple Daily" [circulation: 500,000] (12/16):

". The East Asia area also faces two challenges with regard to security protection, namely, the competition for power between various nations in the region and the flashpoints on the Korean Peninsula and Taiwan Strait. The U.S.-China relationship and Japan-China relationship are the focus of competition for power [in the region]. In the meantime, China's rise has re-allocated the power [balance] in the region in the economic, diplomatic and energy spheres, thus altering the interactions between big nations in the region.  
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"Following [Taiwan's] presidential and legislative elections in 2004, it seems 'no news is good news' can best describe the current situation across the Taiwan Strait. The focus of cross-strait relations, however, now lies in the issue of [U.S.] arms procurement. . Given Taiwan's democratization [process], rapid and substantive changes in the U.S.-China relations and cross-strait relations, and the current East Asia environment strongly impacted by China's peaceful rising, U.S. arms sales to Taiwan is no longer a pure military issue but a key factor concerning complicated cross-strait relations and cross-strait peace. The arms deal has also become a major part of the triangular relationship between Washington, Beijing and Taipei. ."

#### 2. U.S. Arms Procurement

"[Enhancing the Island's] Military Strength in Order to Protect Taiwan? Capital Outflow Will Be Faster Than U.S. Soldiers' Coming to Taiwan [Should a War Break out in the

Taiwan Strait]."

Chang Ya-chung, professor of political science at National Taiwan University, commented in an opinion piece in the pro-unification "United Daily News" [circulation: 400,000] (12/16):

"Local newspapers reported that the United States hopes Taiwan could increase its annual defense budget to 3% of its GDP so that the island will have an additional defense budget of NT\$50 to 60 billion. Washington believes that this is the only way Taiwan can demonstrate its determination and capability to defend itself. . The United States' motive is very clear; what it wants is simply the [monetary] sum of Taiwan's purchases to [flow to] the United States. .

"Should Taiwan buy weapons to prove the Taiwan people's determination to defend the island, or should it use political and economic means to safeguard Taiwan? Should any military conflict break out across the Taiwan Strait, what else can Taiwan do other than defend itself for two weeks? The speed of globalized capital outflow [from the island] will definitely be faster than the arrival of U.S. soldiers to Taiwan. How could Taiwan convince foreign businesses to stay on the island if it is constantly under the threat of military conflict? American and European firms warn Taiwan about the island's failure to initiate direct transportation with China, not its failure to buy enough weapons. .

"Let's get to the bottom [of it]. Can Taiwan rely on its military strength to safeguard the island's safety? Can Taiwan really and fully trust the United States to protect the island? Can Taiwan's financial status really sustain its increasing defense budget? If all the answers are no, then what is the reason behind Taiwan's eagerness to buy weapons and increase its national defense budget? .

"Of course we do not deny that Beijing will not easily renounce the use of force [against Taiwan], but we must understand that Taiwan enjoys a surplus as much as over NT\$30 billion each year from its trade with China. The mistrust between the two sides of the Taiwan Strait can still be possibly resolved, and we should no longer blindly believe that military strength can be used as a strong support. Just remember that it is Washington's Asia-Pacific strategy that [Taiwan should enhance] `its military strength to protect the island;' it is not a necessity for Taiwan. ."

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